

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

| | | |
|--|---|--------------------------------------|
| HU-FRIEDY MFG. CO., INC. |) | |
| an Illinois corporation, |) | |
| |) | |
| Plaintiffs, |) | Case No. 08-cv-4232 |
| |) | |
| v. |) | Judge Wayne R. Andersen |
| |) | Magistrate Judge Maria Valdez |
| DISCUS DENTAL, LLC, a California |) | |
| Limited Liability Company, DISCUS |) | |
| DENTAL IMPRESSIONS, LLC, a |) | |
| California Limited Liability Company, and |) | |
| DISCUS DENTAL CANADA, LLC, a |) | |
| California Limited Liability Company, |) | |
| |) | |
| Defendants. |) | |
| |) | |
| |) | |

**AMENDED STIPULATION OF DISMISSAL OF COUNTS I THROUGH VI OF THE
COMPLAINT**

PLEASE TAKE NOTICE that Plaintiff Hu-Friedy Mfg., Co., LLC ("Hu-Friedy") and Defendants Discus Dental, LLC, Discus Dental Impressions, LLC, and Discus Dental Canada, LLC ("Discuss") hereby stipulate to the dismissal with prejudice of Counts I through VI in the above-captioned action, subject to the terms of the July 31, 2008 Settlement Agreement between the parties (the "Agreement") attached hereto as Exhibit 1. Pursuant to paragraph 1 of the Agreement, this Court retains jurisdiction to enforce the terms of the Agreement.

The Parties also stipulate that with respect to the Counts not dismissed pursuant to the Agreement, the Defendants shall have an additional 30 days to answer or otherwise plead, making the new deadline to answer or otherwise plead September 17, 2008.

Dated: August 15, 2008

Respectfully submitted,

HU-FRIEDY MFG. CO., INC.

By: /s/ Natalie A. Remien
One of its Attorneys

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Jeffrey T. Petersen
Natalie A. Remien
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Chicago, Illinois 60602
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DISCUS DENTAL, LLC, DISCUS DENTAL
IMPRESSIONS, LLC, and DISCUS DENTAL
CANADA, LLC

By: /s/ Matthew W. Walch
One of its Attorneys

LATHAM & WATKINS, LLP
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago IL 60606
312.876.7700

ORDER

IT IS SO ORDERED.

Dated: August 20, 2008

W. - C
UNITED STATES DISTRICT COURT JUDGE

EXHIBIT 1

Settlement Agreement

Hu-Friedy Mfg. Co., Inc. ("Hu-Friedy") and Discus Dental, LLC, Discus Dental Impressions, LLC and Discus Dental Canada, LLC and/or its affiliates ("Discus") hereby enter into a settlement agreement (the "Settlement Agreement") with the following terms.

1. The Court in *Hu-Friedy Mfg. Co., Inc. v. Discus Dental, LLC et al.*, Case No. 08 C 4232 of the United States District Court of the Northern District of Illinois retains jurisdiction to enforce the terms of this Settlement Agreement and the final settlement once the final settlement documents are prepared..
2. Discus will not sell, seek orders for, take orders for, distribute or otherwise offer to sell any dental insert product containing the current INSIGHT design (the "Current InSight Design" is set forth in Ex A, which is a copy of the July Insight Advertisement run by Discus) at or during the week of the 2008 RDH/Under One Roof trade show (the "RDH Trade Show") or thereafter.
3. Discus shall redesign its Current InSight Design within sixty (60) days. The redesign shall not incorporate the Hu-Friedy Baseball Stitch Style Design or the Current InSight Design. The Parties will attempt to reach an agreement on the new InSight design. Hu-Friedy's approval of the new design will not be unreasonably withheld.
4. At the RDH Trade Show, Discus will not use posters, signage, handouts, promotional materials, take-aways, power point slides, collateral materials or other things that show the Current InSight Design.
5. At the RDH Trade Show, Discus shall only use the pop up display after the groove elements of the grip areas of the devices shown in the display have been covered or changed. Discus bears all costs associated with change of the pop up display. After the Trade Show, the pop up display will be destroyed.
6. At the RDH Trade Show, Discus will only have approximately 50 prototype devices with between 40 and 45 at the Good Vibrations clinic and the remaining will be at the booth. All attendees at the Good Vibrations clinic will be informed that this is a prototype and that the handle design will change. After the Good Vibrations clinic, the prototype devices used therein will not be displayed or used at any other location in the RDH Trade Show or outside the show with the exception of possibly an additional 5 brought to the booth.
7. At its RDH Trade Show booth, Discus will inform those that it speaks to at the booth about the INSIGHT product, and will use its best efforts to inform all those seeing the prototype devices at the booth, that the Current InSight Design will change. If a person approaches the booth and presents the promotional coupon previously distributed by Discus displaying the Current

* Discus represents its redesign will change the grip.

InSight Design, Discus will provide them with a substitute coupon that does not include the Current InSight Design. The substitute coupon will include language such as

"We are still in the process of doing final testing on the new InSight ultrasonic insert. Please call Discus between September 15th and November 30th to receive this exclusive RDH UOR offer.

Please note final design of the insert will incorporate a modified grip design."

or other like language to be agreed upon by the Parties; provided, however, Hu-Friedy's agreement to such language will not be unreasonably withheld.

8. After the RDH Trade Show, Discus will not use the Current InSight Design in prototypes, posters, signage, handouts, promotional materials, take-aways, power point slides, collateral materials or other things.
9. Except as provided in this paragraph 9, Discus will cancel all advertisements for future runs and future ads that show the Current InSight Design. The August 2008 placement for Modern Hygiene cannot be canceled, and the Parties understand that the InSight ad will appear only in that issue and would not violate this settlement agreement.
10. Discus will permit counsel for Hu-Friedy and/or Hu-Friedy client representatives to evaluate the prototype product and Discus will ensure that Hu-Friedy has this opportunity at the RDH Trade Show.
11. Hu-Friedy will not tell customers or members of the industry that Discus' InSight product is in any violation, breach or infringement of Hu-Friedy's trademark, trade dress, but Hu-Friedy is permitted to inform others that: (1) Hu-Friedy filed a lawsuit to enforce its trademarks, trade dress and patents; (2) the parties settled the trademarks and trade dress claims; (3) Discus is changing the Current InSight Design; and (4) Hu-Friedy's patent claims are currently under review by the company and its counsel. Nothing in this paragraph shall prevent Hu-Friedy from investigating Discus' compliance with this Agreement or from enforcing its intellectual property rights.
12. Hu-Friedy will use best efforts to contact and inform those persons previously contacted with respect to matters raised in Hu-Friedy's Complaint filed against Discus on July 25, 2008 in U.S. District Court for the Northern District of Illinois (the "Illinois Complaint") and inform them that the matter is currently under review by the company and its counsel. Hu-Friedy is permitted to inform those contacted that: (1) Hu-Friedy filed a lawsuit to enforce its trademarks, trade dress and patents; (2) the parties settled the

trademarks and trade dress claims; (3) Discus is changing the Current InSight Design; and (4) Hu-Friedy's patent claims are currently under review by the company and its counsel.

13. Hu-Friedy will dismiss Counts I through VI of the Illinois Complaint within fourteen (14) days of the execution of the final Settlement Agreement papers. *with prejudice*
+ two (2) business

Executed this 31st Day of July, 2008:

The parties agree to stay litigation over those counts.

Hu-Friedy Mfg. Co., Inc.

Discus Dental, LLC,
Discus Dental Impressions, LLC
Discus Dental Canada, LLC

By:

By:

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

14. It is understood that at the RDT Trade Show the picture attached as Ex B will be used ^{by Discus} in power point and on the coupon referred to in Para 7 and nowhere else.
15. Parties will agree to an expedited approval process whereby Hu-Friedy will respond with its approval or disapproval of the new InSight design within 2 business days of submission. ~~If~~ Parties will have 2 business days from Hu-Friedy's response to submit any dispute over the new proposed InSight design to the court.

13. Upon redesign approval by agreement of parties or by resolution of the Court

trademarks and trade dress claims; (3) Discus is changing the Current InSight Design; and (4) Hu-Friedy's patent claims are currently under review by the company and its counsel.

13. Hu-Friedy will dismiss Counts I through VI of the Illinois Complaint ~~within fourteen (14) days of the execution of the final Settlement Agreement papers.~~ ^{with prejudice}
~~+ two (2) business~~

Executed this 31st Day of July, 2008:

*The parties
agree to stay
litigation on
these counts.*

Discus Dental, LLC,
Discus Dental Impressions, LLC
Discus Dental Canada, LLC

Hu-Friedy Mfg. Co., Inc.

By:

Signature: M. Jay Sinden

Name: M. Jay Sinden

Title: CHIEF OPERATING OFFICER

By:

Signature: _____

Name: _____

Title: _____

14. It is understood that at the RDT Trade Show the picture attached as Ex B will be used ^{by Discus} in power point and on the coupon referred to in Para 7 and nowhere else.
15. Parties will agree to an expedited approval process whereby Hu-Friedy will respond with its approval or disapproval of the new InSight design within 2 business days of submission. ~~If~~ Parties will have 2 business days from Hu-Friedy's response to submit any dispute over the new proposed InSight Design to the Court.

of parties or by resolution of the Court

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two (2) business*

Executed this 31st Day of July, 2008:

*The parties
agree to stay
litigation over
those counts.*

Hu-Friedy Mfg. Co., Inc.

Discus Dental, LLC,
Discus Dental Impressions, LLC
Discus Dental Canada, LLC

By:

By:

Signature: _____

Signature: *Mark Gersh*

Name: _____

Name: *Mark Gersh*

Title: _____

Title: *Director of Clinical
Dentistry and Devices*

14. It is understood that at the RDT Traces show the picture attached as Ex B will be used by ^{Discus} power point and on the coupon referred to in para 7 and nowhere else.
15. Parties will agree to an expedited approval process whereby Hu-Friedy will respond with its approval or disapproval of the new InSight design within 2 business days of submission. ~~If~~ Parties will have 2 business days from Hu-Friedy's response to submit any dispute over the new proposed InSight design to the court.

A

EXHIBIT A

See what you've been missing.

New InSight™ LED Inserts: illumination where you need it most.

Ingenious LED inserts light up where it's hard to see or not making working more efficient or effective. They're compact, durable, magnetizable, easy to fit (no tools required) and come in a variety of types. And with their potential seeing distances between meter and end-user five times greater than incandescent lighting, InSight is the best alternative to working in the dark.



See.

Dual LED filament technology makes it easier to follow the contour of light fixture wires without getting off course in the dark or accidentally pinching them.



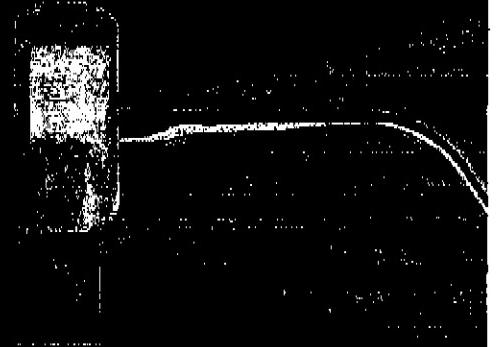
Move.

From your hands to your head, you can move and angle the beam of InSight where you want it. Magnets on each end of the flexible, washable cable will hold lighting exactly where you need it.



Flow.

From your desk to your waterline for tip rinsing, from your chair to the floor for cleaning up, InSight can do it all.



DISCUS DENTAL

Buy smart. Buy direct.

Visit us at www.discusdental.com

U.S. sales (800) 422-9443
Canadian sales (800) 278-8282

sight
LED INSERTS

From vision comes insight.

tip styles

supragingival

#10 Universal (Straight Bend)

Designed by Carl Johnson supragingival carbide tips.



#1000 (Triple Bend)

Specifically designed to clear triple-block cures.



#3 (Beavertail)

This highly tapered tip is perfect for heavy debonding of tenacious cements, step or graduated cement.



subgingival

#105 Thin (Straight Bend)

Used to gently remove dentin and subgingival tissue.



#10L Thin (Left Bend)

Used to remove dentin and to edge or edge reduce the mesial or buccal interdental ridges when subgingival



#10R Thin (Right Bend)

Used to remove dentin and to edge or edge reduce the mesial or buccal interdental ridges when subgingival



Sight

ED INSERTS

DISCUS DENTAL

insighthorizons.com

J.S. sales
(800) 422-9448
Canadian sales:
(800) 278-8282

See what you've been missing.

See.

Drafts...insects...dust...you work around taking the overhead light fixture off or on and are allowing dust into your body position.

Move.

Easier and smoother stroke times with you. And it's a comfortable, solid first and shoulder support. Tightens core, relaxes and twisting.

Flow.

Prostar Flow™ technology makes trips requiring travel to enhance career easier and improves visibility.

Sight
CD INSERTS

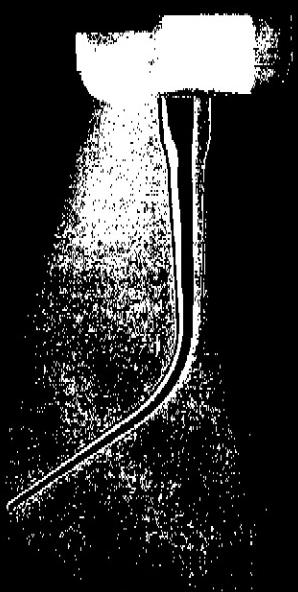
DISCUS DENTAL
discusdental.com

B

EXHIBIT B

LED INSERTS
SightTM

From Vision Comes Insight!



*New Ultrasonic Inserts from
Discus Dental*

Insight Ultrasonic Inserts

Discuss Dental's new LED ultrasonic inserts, Insight, offer a unique solution which addresses the specific needs of the user and maximizes patient comfort.

See

Move

Flow



Dual-LED

Smooth Swivel

Precision Flow

Sight
LED INSERTS

DISCUS DENTAL

Insight Ultrasonic Inserts

The only ultrasonic insert with a light!

See.

Dual-LED illumination lets you work

- without moving the overhead light
- improving workflow
- allowing a more neutral body position
(no "dodging" the overhead light)



Sight

DISCUS DENTAL

Insight Ultrasonic Inserts

The smoothest swivel around.

Move.

Easier and smoother swivel moves with you.

- Ergonomic design to help maintain a comfortable, neutral wrist and shoulder position
- No fighting cord tension and twisting



sight
DENTAL

DISCUS DENTAL

Insight Ultrasonic Inserts

Precision Flow™ – puts water just where you need it.

Flow.

Sprays water from the tip itself:

- Reducing lavage
- Enhancing patient comfort
- Improving visibility



LumSight
Sight

DISCUS DENTAL

Easy to use

Works in all autotune magnetostrictive Units

- Gavitron
- Parkell
- Coltene Whaledent

No additional power required

- Light functions off of ultrasonic energy
- No powerpack
- No external sheath
- Just "Plug and Play"



Sight
EE Series

DISCUS DENTAL

Insight Ultrasonic Inserts

Available in an array of tip designs.

Supragingival



#10 universal
(Straight Bend)

#3
(Beavertail)



#1000
(Triple Bend)

Subgingival



#10S Thin
(Straight Bend)

#10L Thin
(Left Bend)



#10R Thin
(Right Bend)

DISCUS DENTAL

Sight